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# Henry George and Europe:

## *Hungary Began a Promising Venture in Georgist Tax Reform But Revolutionary Turmoil and Inflation Ended It*

By MICHAEL SILAGI\*

Translated by SUSAN N. FAULKNER

ABSTRACT. The kingdom of *Hungary* still faced an unsolved *land question* as the 20th century dawned. More than half the land belonged to *latifundia*, large estates, archaically mismanaged with sweated labor. Unrest among the 6 million *rural poor*, a third of the population, brought forth embryonic *land reform* aspirations. The founder of the first farmers' party, Andras Achim, sought their expropriation and parcelling out. Publication of *Henry George's* writings in Hungarian by the sociologist *Robert Braun* and especially the activities of the physician and statistician *Julius J. Pikler* made the Georgist proposals known. In 1917 and 1918, Dr. Pikler's ingenious lobbying succeeded in winning over the city councils of Budapest and eight other Hungarian towns. The leaders of the 1918 republican *revolution* included *land value taxation* in their program. But the turmoil of 1919, Horthy's *counter-revolution* and torrential currency *inflation* destroyed the Georgist advance.

### I

#### **The Plight of the Hungarian Landless**

AT THE END of the 19th century, Hungary—then a Kingdom united with Austria within the Habsburg Empire—was burdened with an unsolved land problem.<sup>1</sup> The situation was similar to that of Ireland, although stemming from entirely different historical antecedents. In Hungary, serfdom had not been abolished until 1848, and even after that, archaic conditions of land tenure persisted in the country's agricultural sector. More than half of the arable land belonged (incidentally until after World War II, 1945) to huge estates, so-called *latifundia*.<sup>2</sup> The management of these estates was, in most instances, outdated; technology and administrative procedure were backward; mismanagement often reigned.

1848 was a year of revolution in Europe. In Hungary, the turmoil lasted until 1849. The Magyars rebelled against the Habsburgs but were defeated. The next 18 years were marked by oppression and hostility. But in 1867, an inter-state agreement, called *Compromise*, brought about reconciliation between Austria

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and Hungary. This was followed by a decade of economic prosperity, and the condition of the poor smallholders and of the landless agricultural laborers also became more bearable. Moreover, growing industrialization created new urban jobs and many farm laborers migrated to the cities to escape from rural penury.

Yet soon, during the great European agricultural crisis of the 1880s, want and misery again engulfed the small farmers and the landless agrarian proletariat, and an enormous wave of overseas migration from Hungary developed.<sup>3</sup> But not only the very poor—many owners of medium sized and even of larger farms got into trouble.

The landless poor, including dependents, were estimated to number 6 million, that is, about one third of the total population of the country.<sup>4</sup> As the crisis worsened, there was widespread unrest among these masses.<sup>5</sup> In the 1890s, disquiet often erupted into open uproar. It was in these days that for the first time embryonic land reform aspirations surfaced in the Kingdom: a politically articulate tiny minority among Hungary's poor peasant millions was desperately looking for a way out, for some goal that could be communicated to the untutored masses. The first pioneers found what they needed in the program of the Social-Democratic Party of Hungary.<sup>6</sup>

In actual fact, the Hungarian Social Democrats did not have an elaborate plan for a land reform; but in firm adherence to Marx's teachings and unlike the 1875 Gotha program of the German Social-Democracy,<sup>7</sup> their program included the thesis that "landed property and all means of production should be placed under public ownership."<sup>8</sup> The first known spokesman for the aroused propertyless rural population, the agricultural laborer János Szánto-Kovács, adopted this item on the program as his slogan. He was arrested in 1895 and sentenced to 5 years in jail for incitement.<sup>9</sup> He declared himself to be a Social-Democrat and to be striving for the nationalization of the large estates. But he emphatically (and truthfully) denied having agitated for the carving up of the latifundia among those without land.

It might appear incomprehensible, if only at first glance, that the rural proletariat—in contrast to Parnell and the majority of dissatisfied tenant farmers in Ireland—did not seek farm ownership, but instead wanted to be employed at government-owned estates. But these people, like their fathers before them, had never had land of their own. They had rather always sought to find work at large estates. Moreover, the situation of the small landowners did not arouse their envy, for these small farmers did not have it much easier. They carried the additional burden of worries about over-mortgaging their property, and with it the terrible fear (one shown by statistics, not to be unjustified<sup>9a</sup>) of losing it. The unpropertied farmhands of Szánto-Kovács' kind had to perform their labors for starvation wages, but were glad even to find a job. Thus it is understandable

that when they dreamed, it was not of owning their "own soil," but of getting fair wages and secure employment, a dream which the program of nationalization of the large estates promised to fulfill.<sup>10</sup>

At first, when the dissatisfaction of the small and medium-sized farmers began to take concrete form, the desire for breaking up large estates into small parcels became a political demand—as in the program written by the farmer Andras Achim,<sup>11</sup> who founded the first substantial Hungarian farmers' party.<sup>12</sup> According to Achim's program the tremendous estate entails, the vast church lands, and all other estates above 10,000 "hold" [1 "hold" = 0.57 hectares = 1.4 acres] were to be nationalized and then parcelled out into small rentable plots; later on, Achim reduced the upper limit of the properties to be left untouched to 1,000 "hold".<sup>13</sup>

Actually, since the end of the eighties, some owners of latifundia and medium-sized estates had been giving consideration to the elimination of the manifold social ills. Yet even while their proposals were later to be represented as, *inter alia*, a first step toward a land reform movement,<sup>14</sup> more likely these were proposals which, with few exceptions, could never be realized. They were proposals which were designed to improve the existing order through a far-reaching lease system<sup>15</sup> or through dividing up state and community property into parcels,<sup>16</sup> and thereby to secure the existing order against crises. Another intention, at times stated explicitly, was to arrest the "racial loss" which Hungary had sustained by the already mentioned emigrations, by establishing Magyar settlements in the territories of the national minorities.<sup>17</sup>

Within the conservative, Hungarian Christian-Socialist movement, the so-called progressive wing might be said to have represented most closely those ideas which could be described as land reform-styled. The most important spokesman of this wing was Ottokár Prohászka,<sup>18</sup> after 1905 the Bishop of Székesfehérvár (Stuhlweissenburg). Prohászka, a celebrated demagogue of his time, and a staunch anti-semite, emphasized that the unpropertied agrarians should be helped to obtain land, but that this goal was opposed, not only by economic liberalism and what he called Jewish plutocracy, but also by the latifundia system.<sup>19</sup> As early as 1898, he declared—a statement revolutionary not only for his time, but for Hungary as a whole until 1945—that sooner or later there would inevitably come a secularization of church lands.<sup>20</sup>

In 1916, the Bishop made the acquaintance of Adolf Damaschke, then visiting Budapest, and as a result became an active follower of the program of the Union of German Land Reformers.<sup>21</sup> At that time, he himself publicized a land reform proposal which suggested the creation of war veterans' homesteads.<sup>22</sup> However, his antisemitic and antiliberal position forbade a joining of forces with the Leftist land reformers, of whom we shall speak shortly, and his conservative side rejected

land reform ideas, even those of Damaschke's brand.<sup>23</sup> As a result, the Bishop's proposals were not implemented.

Those who espoused land reform in Hungary until 1914, whether in the direction of socialization or of parcelling large estates, were Socialist politicians. Two notable groups among them were members of the Social Science Society and of the club of the reform-happy young students, the Galilei Circle. These two organizations were the spiritual pioneers of the "bourgeois" revolution in Hungary of October 1918.<sup>24</sup> But these efforts did not, prior to World War I, achieve any political significance, much less any movement toward land reform.

It is, therefore, not surprising that, in 1913, the largest Hungarian encyclopedia of the 20th century did not mention, under the heading "Földbirtokreform" (landownership reform), any Hungarian movement, not even any Magyar authors. Rather it cited, first, the earlier English precursors and, second, it spoke of Henry George as "initiator of landownership reform in the narrower sense." It then went on to describe in detail the German land reform movement and the relevant socialist, especially Marxist efforts. Only the last sentence of the encyclopedia article dealt with Hungary. It says: The Hungarian Social Democratic party "still could not agree on an appropriate agrarian program [*i.e.* one which also took the needs for protection of the small farmers into consideration]."<sup>25</sup> To be sure, behind this sentence is hidden the fact that the agrarian problem was the subject of controversial discussions within the party," notwithstanding the lack of definitive conclusions.<sup>26</sup>

The land reform scene came to life at last in June of 1914, when the avant-garde of the Leftist intelligentsia, active partly in the Masonic lodges, and partly in the Social Science Society, founded a radical agrarian party which was to become the bearer of the republican October revolution in 1918.<sup>27</sup> In its platform, radical land reform stood in foremost place.<sup>28</sup> Among its principles (as well of the Independence Party, founded in 1916 by the "Hungarian Kerensky," Count Michael Károlyi,<sup>29</sup> head of the short-lived bourgeois revolution of 1918/19) was the demand for "democratic land reform."<sup>30</sup>

Furthermore, the promise of "far-reaching" land reform<sup>31</sup> was in the foreground of the republican government's program, but now enhanced by a significant fiscal-political element. In a *History of Hungary*, published in 1967 under the aegis of the Hungarian Academy of Sciences in a second, revised edition, we read the following in connection with the land reform endeavors of the revolutionary government of 1918: "The majority of the bourgeois radicals sought to introduce, consistent with the teachings of an American economist, Henry George, a land value tax in order to solve the land problems, and wanted to use the revenues of this tax (this land value tax would have been equal to the annual land rent) for social purposes. Their ideas included the confiscation

of part of the large landed estates. . . . Some of the Socialists leaned toward this conception, while other [Socialists] championed the cause of private property based on small farm holdings."<sup>32</sup>

## II

**Julius J. Pikler, Effective Publicist of Georgism**

HOW DID IT HAPPEN that Georgism, which had played no role whatsoever in Hungary until 1914, moved so strongly into the foreground in 1918, if only—as we shall see—for a short time and without lasting effects? This was due to the entrance into the picture of a single individual, a physician and statistician, Julius J. Pikler<sup>33</sup> (1864–1952<sup>34</sup>). No writings exist about Pikler except for short articles in encyclopedias and a footnote in a work about the intellectual history of Hungary.<sup>35</sup> One of his surviving students,<sup>36</sup> however, portrays him rather effusively as “a personality of manifold knowledge, of superior intellectual force, and of utterly irresistible powers of persuasion.”<sup>37</sup>

The Georgist doctrine had actually reached Hungary earlier: the *Pester Lloyd*, the German-language daily of the Hungarian intelligentsia, reported in 1886—the only significant periodical to do so—in two lead articles the efforts of the Land League just founded in Berlin.<sup>38</sup> But Pikler did not learn about the doctrine until shortly before the first World War. The intermediary was the sociologist Robert Braun (1879–1937),<sup>39</sup> who maintained a close relationship with the American world of learning. Braun, prior to World War I, had met with the American adherents of the Single Tax theory.<sup>40</sup> Braun started the publication of George’s work in Hungarian translation. In 1909, he began by issuing a Magyar version of *Protection or Free Trade* (*Vámvédelem vagy szabadkereskedelem*), followed in 1912 by the rendering of a Georgist novel written in English in 1894,<sup>41</sup> and in 1914 he brought out *Progress and Poverty*, for the first time in Hungarian (*Haladás és szegénység*).<sup>42</sup> A review of this work may be counted as Pikler’s own first Georgist publication.

Pikler had studied medicine in Vienna and, after receiving his accreditation, settled in Koröshegy as circuit doctor. Then he worked for some time in Budapest as a panel doctor. After having made a name for himself with publications in the areas of medicine and statistics, particularly mortality statistics, he entered, in 1897, the service of the Statistics Office in the capital, where, in 1906, he was named Deputy Director. Both as country doctor in the backward province and as panel doctor in Budapest—then synonymous with doctor for the poor—he obtained an insight into the misery of the masses, an insight to which he gave expression as an author.

Pikler's interests were multi-faceted; whenever he encountered problems, he tried to solve them by strictly logical and rational means. In the realm of the rational he was at one with George, but the emotional warmth of the American was alien to him. (By the way, the same reproach often leveled at George, that he operated with eternally valid natural laws and lacked a historical sense, was also directed at Pikler.)

There is no complete bibliography of Pikler's publications, but even the extant data about his works demonstrate a decided versatility. He published not only medical and statistical works;<sup>43</sup> in 1910, he subjected the bally-hoo about the "calculating horses of Elberfeld"<sup>44</sup> to a devastating critique. In 1927, he offered in *Schmoller's Year Book* (a German economic journal), a proposal for solving the problems of monetary stability.<sup>45</sup> Finally, in 1940, he began writing a study in which he as a Jew was also interested existentially. It was initially meant to concern itself with discovering the sources of the social phenomenon of the hostility toward Jews. But this work eventually expanded to become a far-reaching analysis and inventory not only of antisemitism, but—as Pikler put it—of "anti-ism" in general.<sup>46</sup>

As Deputy Director of the Public Statistics Office in Budapest, Pikler attended, together with Robert Braun, the International Congress of Georgists held in Oxford in 1923.<sup>47</sup> At that time he reported in a speech that, in 1913, he had occupied himself primarily with housing statistics and with the housing shortage.<sup>48</sup> He steeped himself in the problem and, in the process, turned to the literature of the German land reform movement. From it he learned a great deal, but he rejected "its practices which were false and which complicated things (value increase tax, land tax, estate entail-styled restitution of family-owned farms, purchase and sale of land through the community etc.)"

His own thinking and the study of Henry George's works led him to the conviction that the solution of the land question—yes, of the entire social question—could be found in the idea of the "pure, simple, and concession-less land value tax." "Thereupon I determined to institute the urban land value tax in Hungary, in the hopes of expanding it in time into a tax which would embrace all real estate in the whole country," Pikler writes.

He deliberately decided upon doing this by himself, without founding any movement, any organization, any party—for this purpose, or even without tying himself to any particular political group. He believed that he could reach his goal simply through logical argumentation, if he could just get the ear of the men in authority.

His first publication about Henry George's doctrine, as already stated, was devoted to the Hungarian edition of *Progress and Poverty*. The review article appeared in the influential scholarly journal *Huszadik Század* [Twentieth Cen-

tury],<sup>49</sup> the organ of the Social Science Society. According to its program, this Society had originally been supra-partisan, a-political, but was now dominated by the pioneers of the bourgeois revolution of 1918.<sup>50</sup>

The Freemason Pikler held his first speech about a land value tax in his lodge "Demokrácia." His remarks evoked a strong echo among the Hungarian Masons, although the group as a whole did not identify itself with Georgist theses.<sup>51</sup>

As the respected Deputy Director of a high city administration office, Pikler found many doors open to him. In addition, with the help of his Masonic brethren, he obtained entrance even there where perhaps as statistician, however much esteemed, he might not have been able to find a hearing.

As lobbyist, then, for the idea of the land value tax, he conducted what might be called a one-man campaign. To gain support, he wrote for the great liberal daily founded by the Masons, *Világ* (the word means "world" as well as "light")<sup>52</sup> and for the official periodical of the capital, *Városi Szemle* [*Urban Review*]. He also held speeches at the Social Science Society, in the Galilei Circle, and before any union or group whose interest he could arouse. In fact, he went so far as to use personal conversations to win over resistant city politicians.<sup>53</sup>

Pikler did not, however, propagandize overtly for Georgism or for the Single Tax. He merely pointed out again and again that he was proposing a new kind of taxation. This was the argument which had the strongest effect on the councillors of the City of Budapest, battling a constant deficit<sup>54</sup>—for it promised revenues while increasing production of homes and thus served to ameliorate the shortage of residences. Yet it was eminently fair, required little administrative cost, and could not be fraudulently evaded. It was only later that Pikler indicated that, of course, other taxes, those which were anti-social, production-inhibiting, and corruption-inciting, could (and must) be eliminated at the same rate that revenues from the new taxes, land value taxes based on generally accepted valuation, were flowing in.<sup>55</sup>

After the town of Arad (today Romania) had accepted the land value tax in May of 1917,<sup>56</sup> Pikler achieved a breakthrough in Budapest in November. Here, in 1917, he converted the Mayor, István Bárczy,<sup>57</sup> his deputy, Ferenc Harrer, and the head of a large center-party, Vilmos Vázsonyi,<sup>58</sup> who, during the last years of the war, was at times also Attorney General.

In November of 1917, the Budapest City Council also adopted, with a large majority, an "Ordinance for the city land value tax in Budapest,"<sup>59</sup> which was proclaimed on December 17th of the same year with the approval of the Secretaries of Finance and of Interior.

According to this ordinance, a land tax was to be instituted, based on generally accepted valuation and strictly in accord with orthodox Georgist principles.<sup>60</sup> There was no mention—yet—of any taking away by taxation of the whole land



rent, and the annual tax rate amounted to only 0.5 percent of the assessed land value (Par. 14 of the Ordinance); at the same time, a special city tax, the so-called "rent-dime," was reduced by 50 percent (Par. 20). The tax basis was the generally accepted land value, defined as follows: "As per the paragraph below, the city land value tax is determined according to the market value of the parcel of land. The value of the improvements existing in and above the land (construction above and below ground, trees, plants, etc.) are not to be taken into consideration in the computation of the tax basis." (Par. 4) The market value was to be determined every three years (Par. 5). A special city office was created for the evaluation of the land value (Par. 6); Julius J. Pikler was named Director of the Budapest Land Valuation Office.

Pikler had no doubt that the favorable experiences with the land value tax would inevitably lead to a gradual increase by the city administrations of the 0.5 percent tax rate, along with an equal decrease of other taxes, until the rate corresponded to the entire land rent, in other words, to about 5 percent. The image he had before him as goal was something similar to the tax system of Kiautschou, China, the province he characterized as late as 1948 as the "model state."<sup>61</sup>

After his success in Budapest, Pikler traveled in 1917 and 1918 throughout Hungary and proceeded everywhere in the same way as in Budapest, except that in his attempts to persuade the provinces he could now point to the ordinances passed in the capital. Within twelve months, seven other cities had decided to institute the land value tax: Szeged, Debrecen, Kaposvar, Ujpest (today part of Budapest), Győr, Marosvasarhely (today Tirgu Mures, in Romania), and Sopron.<sup>62</sup>

In the cases of Szeged and Debrecen, Pikler's success was especially remarkable, since these towns at that time (1918) could not be called towns in West European terms, but were rather enormous agrarian settlements around an urban core, a tiny one in proportion to the expanse of the total area. So, for example, the entire precinct of Debrecen, the city which in Hungary was called the "Calvinist Rome," had a diameter of 70 kilometers—with around 80,000 inhabitants.<sup>63</sup> Pikler's land value tax, in accord with Georgist doctrine, placed a levy on each site without exception, on each piece of real estate, whether urban or rural, at the same percentage of the generally accepted value. Thus, in Debrecen the Georgist program was accepted—though, it is true, formally through city ordinances—in a large agricultural area; and Pikler reports that he was surprised at having been able to convince the leader of the small farmers in Debrecen more quickly of the justice and usefulness of the new tax than the upper class.<sup>64</sup>

During 1918, an appraisal was made in all applicable cities of the value of all real estate property—without consideration for their use, possible construction,

or improvements; the imposition of the tax was to begin in Budapest on January 1, 1919 (Par. 1 of the Ordinance).

Shortly before, however, on October 31, 1918, the revolution broke out in Budapest. The comment cited above in the *Hungarian History* of the Budapest Academy illustrates how strongly even the historical writings of Marxists who clearly rejected Henry George's teachings have assessed the Georgist influences at that time. But in actuality this impact was due, in Pikler's own opinion, rather to his personal propagandistic efforts and to the example of the land value tax introduced in nine cities.

These two factors lent the Georgist program a sort of nationalistic flavor, so much so that the republican regime of Count Michael Károlyi, eager to stabilize its popularity, included in its program among other items the introduction of a land value tax throughout the country. This was alongside other demands which were deemed to be effective propaganda weapons, but which were incompatible with Georgism.<sup>65</sup> In fact, however, it did not come to a realization of this statement of intentions.

On March 21, 1919, the regime of Count Károlyi was replaced by the Hungarian Soviet Republic which in turn broke down on August 1. And on August 3, Romanian troops marched into Budapest and occupied the capital until the middle of November. On November 16, 1919, Admiral Nikolaus von Horthy with his national army seized power in Hungary; as a result, groups of right extremists attained control of the government.<sup>66</sup> This change also meant the end of the relatively liberal self-governing bodies in the cities.<sup>67</sup>

The Budapest Ordinance concerning the land value tax was not actually rescinded by any of these changing administrations, but to the political disorders was added the rapid decline in value of the Hungarian currency. An inflation now set in which was similar in magnitude to the Austrian one, so that by 1919 the revenues from the tax, which had been based on the land value assessments of the previous year, were reduced to insignificance.

The rightist parties, which were supported by the tenement house owners' lobby and which ruled in Budapest at the time, now organized a campaign against Pikler.<sup>68</sup> Their principal objection—at the time a very effective one—against the land value tax was simply that this was an invention of the (then banned) Masons and of the Jews. Pikler, though still head of the capital's Land Valuation Office, had no contact with the new city delegates; but he writes that these men still could not bring themselves to abolish without a proper substitute the Ordinance of December 1917. During the decisive City Council debate, the speakers took turns countering each other's arguments directed against this Ordinance.<sup>69</sup> Finally, in 1921, it was decided that, while at that time the law was not to be rescinded, the collection of the tax was to be suspended for the time

being. The legal department of the city was instructed to formulate a new, more "Christian" and more truly nationalistic land value tax ordinance.<sup>70</sup>

Things remained at that stage. The city agencies have not returned to the matter since then.

### III

#### **Pikler's Influence Abroad**

THE NEWS OF JULIUS J. PIKLER'S initial successes in Hungary reached Vienna during the first World War.<sup>71</sup> The Viennese Socio-Pedagogical Society, founded by the Austrian Freemasons,<sup>72</sup> invited him to give an address in Vienna. Pikler's arguments were persuasive in Vienna as well: the Christian Socialist mayor, Dr. Richard Weiskirchner, and his deputy, von Goldemund, received Pikler and became converted by him to the idea of the land value tax.<sup>73</sup> Thus, already before the dissolution of the monarchy, the preparations began here too for the passing of appropriate legislation, which were not even undercut, whether by the revolutionary upheaval, by the reform of the franchise, by Weiskirchner's defeat at the polls on May 4, 1919, or by the entry of a two-thirds Socialist majority into the City Council.<sup>74</sup>

The contact with Pikler had been interrupted since the beginning of 1919, but on December 18, 1919, the "law concerning a tax on the current land value (land value tax) in the metropolitan area of the City of Vienna" was passed.<sup>75</sup> It followed in several ways the Budapest model, and the tax rate of 0.5 percent of the market price was taken over as well. But one major difference, a fact which later drove Pikler to bitter protest, lay in the provision that the amount was to be based on the landowners' self-appraisal.<sup>76</sup> Pikler saw in this a direct violation of the spirit of Georgism which required the creation of a tax measure through which no one could gain an advantage by cheating the community; and for the same reason, no one should be exposed to the temptation of making false statements. In a system truly governed by natural law, there would be no tax declarations, and the evaluation of a piece of land should, as had been done in Hungary, be done through an independent assessment office. This office, if required, would have to justify its assessment in writing to the concerned taxpayer, and would have to make all values available for public inspection in order to facilitate comparisons (in Budapest, Par. 8 of the City Ordinance provided that the values be issued as a city publication); and its decisions could be appealed in court.<sup>77</sup>

Whether the self-appraisal actually would have had a negative effect of this sort could not be determined empirically in Vienna. The valuations were carried out in 1920, and the tax collections began in 1921; but the revenues which,

with a relatively stable currency, would have been quite substantial, appeared in the whirl of the galloping inflation from a fiscal standpoint to be hardly worth the trouble.<sup>78</sup> The Socialist majority in the City Council showed from the outset little enthusiasm for this tax. On one hand, the little man, whose grandparents had built a meager cottage at the far-away city limits, and who still lived modestly in this tiny home while the city had grown beyond his piece of land, the value of which had grown a thousand-fold—this little man was now to be burdened with a high tax. On the other hand, the wealthy tenement house owner on the parcel next to him would not have to pay more land value tax than the modest neighbor and, as far as his rental edifice was concerned, would be as tax-exempt as the little man's cottage. This did not sit well with a Marxist Socialist.<sup>79</sup> The Georgist thinking was that this wealthy man was useful to the community as a residence provides by using his land for rental apartments, while the poor neighbor was withholding a costly site from the community. Therefore, objectively speaking, the latter was a land speculator, even though the ultimate, unearned super-gain might not fall to him but to his heirs. However, such a viewpoint was incomprehensible to the Viennese Socialists.

In Budapest as in Vienna, it was doubtless the inflation and the thereby diminished revenues from the land value tax which helped its enemies to achieve an easy victory. Still, it must have been a tragic experience for Pikler to be forced to witness the wrecking, not only of his project, based on Henry George's teachings, but also of the law of his Viennese followers, even though it was a law slightly divergent from his conception. In Vienna, it was the Socialists whose ideology drove them to tax, not the land but the members of the propertied class, their enemies. They officially abolished the Viennese land value tax at the end of 1923.<sup>80</sup> In contrast, in Budapest it was the real estate owners who, supported by the majority in the City Council, prevented for understandable reasons of self-interest the taxation of their private land monopolies.

The news of Pikler's seemingly thoroughgoing success in Budapest reached, long after the demand for a land value tax had vanished in Hungary, into far-off foreign countries. In consequence of an article in the British Georgist journal, *Land & Liberty*, in which Dr. Pikler reported about his activities,<sup>81</sup> he was invited at the beginning of the 1920s by land reformers in northern Germany and Denmark to make a speaking tour. Pikler was able, through financial support of the United Committee for the Taxation of Land Values in London to make this trip, which ordinarily would have been impossible for a Hungarian, in straitened circumstances as a result of the war. In addition to Copenhagen, he visited the Hansa cities of Lübeck, Hamburg, and Bremen, where he spent, respectively, two, four and eight days.<sup>82</sup>

True, the periodical *Land Reform* of the Union of German Land Reformers, published by Adolf Damaschke, did not take any notice of the Hungarian's trip through northern Germany. But how Pikler was received there is indicated by a letter about the visit of the chairman of Bremen's Land Reformers, Otto Erich Günther, to the editor of *Land & Liberty*. In this letter, characterized by the editor as "enthusiastic," we read:

"Dr. Pikler's presence and activity in Bremen was entirely in keeping with our method of conducting our campaign, which aims at the introduction of as clean a form of Taxation of Land Values as possible. This has been our aim during all the years we have been working for the cause, and we have always put stress on this in our negotiations with friend and foe, in public and privately. It was our former chairman, Mr. Elwert, who, being a subscriber to *Land & Liberty*, had his attention drawn to Dr. Pikler by an article in that journal describing his work in Budapest. . . . In looking back upon Dr. Pikler's visit I can but say that the high expectations we had placed in it have been far surpassed. Quite apart from his being a charming man to know, he put an enormous amount of energy and self-sacrifice into his work, that we cannot but cherish the memory of his visit and personality among the pleasantest experiences we have had for a long time."<sup>83</sup>

Pikler also left a deep impression with his audience by the speech, cited previously in this chapter, before the participants at the International Georgist Congress in Oxford in 1923. The correspondent of the British Georgist periodical wrote about this event:

"Dr. Percy McDougall presided, and said he was introducing one of their friends whom they were all waiting to hear because of his eminent services as chief of the Land Valuation Department of Budapest. Dr. Pikler had already taken some part in their deliberations, and in these contributions had given them an insight into the great talents he possessed. Dr. Julius J. Pikler had chosen as the title of his address, 'Theoretical and Tactical Lessons to be learned from the Land-Value Policy in Hungary.' . . . Dr. Pikler's address, which occupied more than an hour's time, marshalled in masterly fashion a whole dossier of facts and arguments. It made a profound impression on his audience, and speakers in the discussion were glad to express their hearty appreciation of his informing treatment of the subject, especially complimenting on the way in which he had dealt with questions of controversy."<sup>84</sup>

In the years of Admiral Horthy's regency, Pikler's influence was shattered, and his potential for effectiveness was extinguished. He did, it is true, continue to enjoy much respect in the circles of the liberal intelligentsia. But the rigid and intolerant logicity of his theories and the extreme sharpness of his polemics had the result that, in Hungary after 1920, he could assemble only a small group

of compatriots who, under a conservative regime, had become as ineffective as he. He made speeches and took part in panel discussions. On those occasions he was assured, as reports his closest collaborator Aládar Sós, of complete success owing both to his arguments and to his sarcastic comments, but his sarcasm did little to gain friends among the other participants in the debates. From 1934 to 1937 he published (together with Sós) a scientific periodical, *Állam és polgár* [State and Citizen], in which he sought to deepen the theoretical basis of Henry George's system and to solve, along his own lines of thinking, some problems not touched upon by George.

Pikler held fast to the Georgist tenets, as well as to the differentiation between two kinds of property, "the land (site) and men (respectively, labor power and its products)." <sup>85</sup> He believed that he could divide every social system according to the ways in which it dealt with these two kinds of property, of which the first (land) belonged by right to the community and the other (labor power and its products) definitely to the individual. <sup>86</sup>

Pikler was asked in 1948, four years before his death, at the end of an interview granted a German-language, Viennese, Jewish periodical, "Do you have hopes for the actualization of your teachings?" He gave an answer which was typical for his thinking, so opposed to any political compromise or compromise of any sort, and so strictly rationalistic, but indicative at the same time of his presentiment that his efforts were going to fail: "We are against collectivism, against a planned economy, in fact against any unnecessary ties or any avoidable coercion. Yet, we are also just as unrelenting in our hostility toward the misusers of monopolies as are the Communists. In other words, we are thoroughly out of step with the times. But I believe I know one thing: Our propositions are equal in rank of logic to the arithmetic equations of the multiplication table. Even if today someone were to forbid, in the name of some ideals, the use of the multiplication table, and were to turn the masses against it through the appropriate educational-propagandistic measures—the equation  $2 \times 2 = 4$  would still win through in the end. That I shall scarcely see this happen is my private grief and sorrow." <sup>87</sup>

#### Notes

1. On the general situation and on the land question in the Kingdom of Hungary see Gyula Szekfű, *Hóman-Szekfű, Magyar történet* ['Hungarian History'], Vol. V, 2nd ed. (Budapest, 1936), p. 537 ff.; Erik Molnár *et al.*, *Magyarország története* ['History of Hungary'], Vol. II, 2nd ed. (Budapest, 1967), p. 188 ff. Magda M. Somlyai (publ.), *Földreform 1945* ['Bodenreform, 1945'] (Budapest, 1965), p. 7 ff.

2. According to Aladar Mód, *400 év küzdelem az önálló Magyarországért* [The 400-year battle for an independent Hungary], 7th ed., (Budapest, 1954), p. 357. In 1895, 1,945 large estate owners shared 13.7 million "hold" (about one-third of the agricultural land of Hungary), while

1,358,875 smallholders had to be content with 2.5 million (about 6 per cent of the agricultural land).

3. Between 1899 and 1911, more than one million Hungarian residents emigrated overseas (Mód, *op. cit.*, p. 369; cf. also Zoltán Horváth, *Die Jahrhundertwende in Ungarn*, Neuwied/Budapest, 1966), p. 345).

4. Molnar, *op. cit.*, p. 189.

5. Molnar, *op. cit.*, pp. 130 ff.

6. *Op. cit.*, p. 136 fn.

7. Mod, *op. cit.*, p. 376 fn.

8. *Op. cit.*; also see Molnár, *op. cit.*, p. 124.

9. On Szánto-Kovács cf. Agnes Kenyeres (ed.), *Magyar Életrajzi Lexikon* ['Hungarian biographical lexicon'], Vol. II (Budapest, 1969), p. 705 fn.; Szekfü, *op. cit.*, p. 542; Molnár, *op. cit.*, p. 141; Somlyai, *op. cit.*, p. 13, and Tibor Süle, *Sozialdemokratie in Ungarn* (Cologne, 1967), p. 33.

9a. See Mód, *op. cit.*, pp. 360 ff.

10. Somlyai, *op. cit.*, p. 11.

11. On Achim see I. Reinert-Tárnoky, "Áchim L (iker), András," *Biographisches Lexikon zur Geschichte Südosteuropas* (Munich, 1972), p. 10 fn.

12. *Op. cit.*

13. *Loc. cit.*

14. Thus János Iván, *Földbirtokreform és társadalmunk 1890–1914* ['Landownership reform and our society 1890–1914'] (Budapest, 1935), p. 4 ff., 34 ff., 55 ff., 80 ff.

15. *Op. cit.*, p. 67.

16. *Op. cit.*, p. 105.

17. *Op. cit.*, p. 41 fn, 43 fn, 53.

18. *Magyar Életrajzi Lexikon*, II, p. 444; on Prohászka see also Horváth, *op. cit.*, p. 249.

19. Iván, *op. cit.*, p. 70.

20. *Loc. cit.*

21. Damaschke, *Geschichte der Nationalökonomie*, II, p. 336; Damaschke, *Zeitenwende*, p. 294.

22. Ottokár Prohászka, "Ein Antrag zur Durchführung der Kriegerheimstätten in Ungarn," *Jahrbuch der Bodenreform*, XII, 1912, pp. 129–133.

23. Damaschke, *Geschichte der Nationalökonomie*, II, p. 337.

24. Horváth, *op. cit.*, p. 120 ff., 240 ff.; about the Galilei-Circle: *op. cit.*, p. 351 ff. and Paul Ignotus, *Hungary* (London, 1972), p. 141.

25. *Révai Nagy Lexikona* [Révai's great lexicon], Vol. VII, (Budapest, 1913), p. 757 fn.

26. Süle, *op. cit.*, p. 140 ff.

27. *Op. cit.*, p. 166.

28. Molnár, *op. cit.*, p. 255.

29. On Count Károlyi cf., *Magyar Életrajzi Lexikon*, I (Budapest, 1967), p. 870.

30. Damaschke, *Geschichte der Nationalökonomie*, II, p. 336.

31. *Op. cit.*, p. 337.

32. Molnár, *op. cit.*, p. 297.

33. The Hungarian form of his first name is Gyula. In his German and English publications he himself used the international form "Julius." (The translation of Hungarian first names was customary in Hungary before 1945 in interchange with foreign countries.)

34. *Magyar Életrajzi Lexikon*, II, p. 416; Julius J. Pikler should not be confused with his cousin, legal scholar and psychologist Julius Pikler (1864–1937; *ibid.*).

35. Paul Igotus, "Die intellektuelle Linke im Ungarn der 'Horthy-Zeit'", *Südost-Forschungen* XXVII (Munich, 1968), pp. 148–241 (239). In the footnote, Pikler's place of work of many years is given as the National Statistics Bureau instead of, correctly, the Budapest Public Statistics Office.

36. Insofar as in the following comments no other sources are indicated, the portrayal of the person and of the influence of Pikler's is based on data supplied by his closest collaborator in the area of Georgism, the architect and urban planner, Aladar Sós (about him cf. Revai XXI, 1935, p. 752), in letters of May 31, 1971, and August 24, 1972, as well as oral information of a student of Pikler, economist and historian Robert Major. Secaló Silagi, "Aladar Sós," *Land & Liberty*, London, LXXXII, 1975, p. 73.

37. Igotus speaks of Pikler's "numerous enthusiastic students, who were fascinated by his incorruptible, razor-sharp logic" ("Die intellektuelle Linke . . .", p. 239).

38. Hans Wehberg, *A. Tb. Stamm* . . . , p. 25.

39. *Magyar Életrajzi Lexikon*, I, p. 263.

40. The editor of the *Single Tax Year Book*, Joseph Dana Miller, wrote in 1917 in his contribution "Historical Addenda," p. 194: "his visit to America a few years ago is pleasantly remembered by many Single Taxers in New York and other cities."

41. *Kormányzóságom története*. The English original was entitled *The Story of my Dictatorship* and appeared initially anonymously in 1894 in England. It describes how a politician, called to be dictator of England, translates George's program into action for the welfare of all.

42. In 1921, Braun published a translation of Henry George's *Social Problems* ('Társadalmi problémák').

43. An incomplete list of Pikler's medical and statistical writings: *Magyar Életrajzi Lexikon*, II, 416. According to this article, Pikler edited "for some time" the German-language periodical *Pester Medizinisch-Chirurgische Presse* and contributed to it "numerous medical and social-hygiene articles."

44. See Karl Krall, *Denkende Tiere*, 4th ed. (Leipzig, 1912), *passim*.

45. Julius J. Pikler, "Zur Frage der Dynamik und Systematologie des Geldes," *Schmollers Jahrbuch*, LI (Munich, 1927), pp. 723–760 (reprint of an address given by the author before the Oesterreichische Politische Gesellschaft in Vienna.).

46. According to Sós the voluminous manuscript of the unfinished work is lost. Pikler also wrote a whole series of combative and controversial essays, such as for the *Wiener Medizinische Wochenschrift*, *inter alia* about genetics, on the definition of life, and about the psychology of lying.

47. This and the following paragraph are based on Julius J. Pikler, *A magyar városi telekértékaadó elméleti és gyakorlati tanulságai* ['The theoretical and practical lessons from the Hungarian city land value tax'], ms. [Budapest] [1924], p. 46. The subtitle of the 65-page brochure reads as follows: "Expansion of the speech given at the International Conference in Oxford, August 13–20, 1923." Meant is the international conference of Georgists, which takes place at several years' intervals in diverse places throughout the world. This brochure was the "Bible" of the Hungarian Georgists between the two world wars, and was labeled the "speech of Oxford" by them. The text appears to be a transcription rich in the rhetorical elements of a speech, but in view of its size only part of it could have been read to the audience. It is impossible to determine at this point what was actually spoken and what was expansion or subsequent addition. An excerpt of the Oxford speech is recorded in the Conference report: "Land Value Policy in Hungary - Theoretical and Practical Lessons," *International Conference on the Taxation of Land Values, Oxford, 1923, Official report of proceedings* (London, 1923), pp. 45–50. This excerpt was reprinted on 1960 as "A Land Values Classic" in *Land & Liberty*, LXVII, pp. 165–168; 185 fn, and a separate



reprint of the article in the journal was distributed as a pamphlet by the British Georgists. (In my text the Hungarian brochure is cited as "Oxford speech.")

Following Pikler, Robert Braun spoke on the theme "Social Conditions in Hungary." An excerpt of his speech is reprinted in the *Official Report*, p. 50 fn.

48. On the housing scarcity cf. György Kiss, *A budapesti városipolitika* ['The communal policy of Budapest'], 2nd ed. (Budapest, 1958), p. 95 ff.

49. On *Huszadik század* see Ignotus, *Hungary*, p. 112 fn and Horvath, *op. cit.*, p. 121, 129 fn.

50. Horvath, *op. cit.*, p. 121, 240 fn.

51. Information by letter from A. Sós.

52. Adolf Szabó, *Az Eötvös-Páholy betveneves története* ['The 70-year history of the Lodge Eötvös'], (Budapest, 1947), p. 17 ff.

53. Information by letter from A. Sós.

54. Kiss, *op. cit.*, p. 143.

55. *Oxford Speech*, p. 46 fn.

56. Damaschke, *Geschichte der Nationalökonomie*, II, p. 337.

57. *Magyar Életrajzi Lexikon*, I, p. 115.

58. *Op. cit.*, II, p. 977.

59. The German translation of the regulation is reprinted in the *Jahrbuch der Bodenreform*, XVIII, 1918, pp. 174–179; the most important sections, together with a commentary by Pikler, are contained in the excerpt from the Hungarian's speech published by the English Georgists (see Note 592).

60. Pikler, *Oxford Speech*, p. 43.

61. Julius J. Pikler, "Der Weg zum Musterstaat," *Neue Welt und Judenstaat*, II, 14 (Vienna, 1949), p. 8.

62. Pikler, *Oxford Speech*, p. 48 fn.

63. *Op. cit.*, p. 49.

64. *Loc. cit.*

65. *Op. cit.*, p. 50.

66. Ignotus, *Hungary*, p. 141 ff.

67. Ignotus, "Die intellektuelle Linke . . . ," p. 156.

68. Pikler, *Oxford Speech*, p. 50.

69. *Op. cit.*, p. 51.

70. *Op. cit.*, p. 52.

71. *Op. cit.*, p. 53.

72. As King of Hungary the monarch permitted legal, open activities of the Freemasons; as Emperor of Austria, however, he upheld to the last the ban on the Lodges issued there at the end of the 18th century. This was the case through 1918, the end of the dual monarchy. As a result, when the Austrian Freemasons desired to take part in Lodge activities, they travelled to Hungary; at home they functioned under camouflage, through humanitarian and reform associations such as the "Social-Pedagogical Society." [Gustav] Kuéss, [Bernhard] Scheichelbauer, *200 Jahre Freimaurerei in Osterreich* (Vienna, 1959), p. 117 fn, 161 fn.)

73. Pikler, *Oxford Speech*, p. 53.

74. Rudolf Till, *Geschichte von Wien in Daten* (Vienna, 1948), p. 151; Karl Ziak, ed., *Unvergängliches Wien* (Vienna, 1964), p. 404.

75. *Entwurf für ein 'Wirtschaftsbefreiungsgesetz'*, 6th document of the Bundes österreichischer Bodenreformer, 2nd ed. (Vienna, 1933), p. 3.

76. *Op. cit.*, p. 4.

77. Pikler, *Oxford Speech*, p. 20 ff.
78. Philipp Knab, *Bodenwertbesteuerung in Österreich* (London, 1959), p. 2.
79. Josef Schwarzl, *Franz, Camillo und Siegfried Sitte* (Vienna, 1949), p. 4.
80. Till, *op. cit.*, p. 153. A home building tax was substituted for the previous realty tax to finance the municipal housing projects which later became world famous. But the new tax, however much it may have served a useful purpose, was by Georgist standards inhibiting to production and therefore inimical to the economy.
81. Julius J. Pikler, "The Valuation and Taxation of Land Value in Budapest," *Land & Liberty*, XXVII, 1920, p. 549 fn, and Pikler, "Hungary," *op. cit.*, XXIX, 1922, p. 276.
82. Pikler, *Oxford Speech*, p. 53; "Notes and News," *Land & Liberty*, XXX, 1923, p. 59.
83. "Notes and News," *Land & Liberty*, XXX, 1923, p. 59.
84. "Land Value Policy in Hungary," *Land & Liberty*, XXX, 1923, p. 175.
85. D. Sabbatai, "Ein humanistischer Sozialismus - Gespräch mit dem Sozialphilosophen Dr. Julius J. Pikler," *Neue Welt und Judenstaat*, I, 2, 1948, p. 8.
86. See also "A helyes társadalmi rendszer problémája" ["The problem of the correct social order], *Állam és polgár*, 1934, No. 1, pp. 2-12 (10 ff.)
87. Sabbatai, *loc. cit.*

### *Inspired Chance*

Guided by chance or inspired by my instructor, Walter McCormack, I had found, on the dusty shelf of a secondhand book shop, a copy of *Progress and Poverty*. After buying it for thirty cents, I had brought home my discovery, and I had plunged, eagerly, into the absorbing first chapters, with their able analysis of social conditions. As I read, I was impressed by Henry George's review of the world's poverty, and by his logical and unrelenting inferences from the facts. He may or may not have influenced my theme when I began my crude first book, *The Descendant*. I was striving more for art than for inspiration, which, as a beginning author, I needed far less; but, at least, he encouraged the revolutionary slant in my point of view. Why did not people rebel when they had nothing to lose? I wanted to know why. I wanted to discover what it was that kept the poor in their place. Was it merely the pressure from without? Or was it that still more demoralizing pressure from within? I had none of the early Christian belief that poverty was eternally blest. Only when it was chosen as a symbol of compassion had it ever blest anybody. The shaved head and the yellow bowl were the outward signs, not of material destitution, but of spiritual abundance.

ELLEN GLASGOW  
1873-1945